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ABSTRACT

This is the sixth in a set of 36 teacher guides to the Entrepreneurship Training Modules and accompanies CE 031 040. Its purpose is to give students some idea of what it is like to own and operate a dairy farm. Following an overview are general notes on use of the module. Suggested steps for module use contain suggestions on introducing the module, a brief discussion of the nine units, responses to learning activities, suggestions for summarizing the module, and responses to the quiz. The units are Planning a Dairy Farm; Choosing a Location; Getting Money to Start; Being in Charge; Buying and Keeping Track of Supplies; Setting Prices: Marketing Farm Products; Keeping Farm Records; and Keeping Your Business Successful. Each unit contains a case study; responses to individual activities; responses to discussion questions; and a group activity. Suggested readings for the teacher and a list of goals and objectives complete the module. (CT)

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Entrepreneurship Training Components

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GETTING DOWN TO BUSINESS:

Dairy Farming

Module 6

Teacher Guide

CE031041

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GETTING DOWN TO BUSINESS:

Dairy Farming

Susan L. McBain

May 1981

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OVERVIEW

The purpose of these Getting Down to Business modules is to provide high school students in vocational classes with an introduction to the career option of small business ownership and to the management skills necessary for successful operation of a small business. Developed under contract to the Office of Vocational and Adult Education, U.S. Department of Education, the materials are designed to acquaint a variety of vocational students with entrepreneurship opportunities and to help reduce the high failure rate of small businesses.

As the students become familiar with the rewards and demands of small business ownership, they will be able to make more informed decisions regarding their own interest in this career possibility. It is hoped that, as a result of using these materials, some students will enter small business ownership more prepared for its challenges. Others will decide that entrepreneurship is not well suited to their abilities and interests, and they will pursue other career paths. Both decisions are valid. The materials will encourage students to choose what is best for them.

These Getting Down to Business modules are designed to be inserted into ongoing high school vocational programs in the seven vocational disciplines--Agriculture, Distributive Education, Occupational Home Economics, Business and Office, Trades and Industry, Technical, and Health. They will serve as a brief supplement to the technical instruction of vocational courses, which prepare students well for being competent employees but which generally do not equip them with skills related to small business ownership. The modules are self-contained and require a minimum of outside training and preparation on the part of instructors. Needed outside resources include only those types of materials available to all students, such as telephone directories, newspapers, and city maps. No special texts or reference materials are required. For further optional reading by instructors, additional references are listed at the end of the Teacher Guide. An annotated Resource Guide describing especially valuable entrepreneurship-related materials is also available.

The purpose of this module is to give students some idea of what it is like to own and operate a dairy farm. Students will have an opportunity to make the same decisions that the owner of a dairy farm makes. While the module is not a complete "how-to" manual, the individual activities will provide your class with the chance to practice many of the planning and daily activities that small business owners do.

Today, owners of small businesses face a multitude of problems--some minor, some that threaten their very existence. These problems reflect the constant changes that our society is going through--economic, cultural, and technical. While this module cannot hope to address itself to all of them, the discussion questions at the end of each unit are designed to give your class the opportunity to discuss them and develop, on a hypothetical basis, solutions for themselves.

You might want to present this module after completing Module 1, Getting Down to Business: What's It all About? Module 1 is a 16-hour program covering a more in-depth approach to owning any small business. The terms introduced in Module 1 are used in this module with a restatement of their definitions. Also, the forms used are the same, with some minor changes to fit a dairy farm specifically. Module 1 provides an introduction to owning a small business in addition to some skills and activities that, due to their general nature, are not covered in this module.

Content Organization

Each unit of the module contains the following:

1. Divider Page--a page listing the unit's goal and objectives.

2. Case Study--an account of a dairy farm owner for a more intimate view of owning a dairy farm.

3. Text--three to four pages outlining business management principles introduced in the case study.

4. Learning Activities--three separate sections, including:

   a. Individual Activities--finding information given in the text or applying information in the text to new situations.

   b. Discussion Questions--considering broad issues introduced in the text; several different points of view may be justifiable.

   c. Group Activity--taking part in a more creative and action-oriented activity; some activities may focus on values clarification.

General Notes on Use of the Module

Instructional Time:	Each unit = 1 class period; total class periods	= 9
	Introduction, quiz, summary	= 1
	Total instructional time	= 10 class periods

The case study and text are central to the program's content and are based on the instructional objectives appearing in the last section of this Guide. Learning activities are also linked to these objectives. You will probably not have time, however, to introduce all the learning activities in each unit. Instead, you will want to select those that appear most related to course objectives, are most interesting to and appropriate for your students, and are best suited to your particular classroom setting. Certain learning activities may require extra classroom time and may be used as supplementary activities if desired.

Before presenting the module to the class, you should review both the Student and Teacher Guides and formulate your own personal instructional approach. Depending on the nature of your classroom setting and the students' abilities, you may want to present the case study and text by instructional means that do not rely on students' reading--for example, through a lecture/question-answer format. Case studies and certain learning activities may be presented as skits or role-playing situations.

No particular section of the module is designated as homework, but you may wish to assign certain portions of the module to be completed out of class. You may want students to read the case study and text in preparation for discussion in the next class period, or you may want them to review the material at home after the class discussion. You may also prefer that students read the material in class. Similarly, individual activities may be completed in class or for homework. Discussion questions and group activities are specially intended for classroom use, although some outside preparation by students may also be needed (for example, in the case of visiting a small business and interviewing the owner).

Methods that enhance student interest in the material and that emphasize student participation should be used as much as possible. Do not seek to cover material exhaustively, but view the course as a brief introduction to entrepreneurship skills. Assume that students will obtain more job training and business experience before launching an entrepreneurial career.

The quiz may be used as a formal evaluation of student learning or as a self-assessment tool for students. Answers to learning activities and the quiz are provided in a later section of this guide.

SUGGESTED STEPS FOR MODULE USE

Introduction (15 minutes, or integrate within the first hour of Unit 1)

I. In introducing this module, you will probably want to find out what students already know about running a dairy farm. You might ask the class some questions like these.

- What does a dairy farm produce? (Milk and often other things as well, such as stock cattle, feed, etc.)
- Does a dairy farmer usually produce finished products for market like butter, cheese, and ice cream? (No, dairies usually produce only milk. Further processing comes later.)
- What do you think the owner of a dairy farm does? (Point out that business skills are as important as dairying skills.)
- Has anyone ever thought about what it would be like to own a small dairy? Do you think you would like it? Why or why not?

II. Discuss small businesses briefly. Over 90% of all business in the United States are small businesses. In this module we will be dealing with very small businesses, meaning a self-employed owner working alone or with one to four employees. Often small businesses are owned and run by members of a family.

III. Discuss the purposes of the module:

- To increase students' awareness of small business ownership as a career option
- To acquaint students with the skills and personal qualities a dairy farm owner needs to succeed
- To acquaint students with the kind of work small business owners do in addition to using their vocational skills
- To expose students to the advantages and disadvantages of small business ownership

IV. Emphasize that even if students think they lack management aptitudes, some abilities can be developed. If students "turn on" to the idea of small business ownership, they can work at acquiring abilities they don't have.

Also, students who work through this module will have gained valuable insights into how and why business decisions are made. Even if they later choose careers as employees, they will be better equipped to help the business succeed because of their understanding.

V. Point out that the operations of a dairy farm have been greatly simplified for the purposes of this module. Emphasis is on business management principles, not dairy farming skills. Also, cost information may be simplified or inappropriate for your area. If possible, provide students with financial figures that correspond more closely to real farm operations in your locale.

Unit 1 - Planning a Dairy Farm (1 class period)

I. Case Study: Andy and Julie Raitt love working on a farm. Andy works as a milker, and Julie is a vegetable gardener. They are thinking about starting their own dairy farm and also raising vegetables for sale. They know they'd have to work hard, stay on the farm most of the time, and make their own decisions. They talk to a lawyer and insurance agent to help them plan their future.

Text: Personal Qualities
Products and Customers
Legal Requirements

Optional Points to Present:

- Most small businesses are retail or service businesses. The dairy business is the only one in this series of modules in which the small business owner is the producer.

II. Responses to Individual Activities

1. Answers will vary. The more responses that are checked, the more likely the student is to succeed at running a dairy farm.

2. Answers will vary.

3. Answers will vary. Some possibilities are egg production, chicken production, sheep production, and bee keeping.

III. Responses to Discussion Questions

1. Answers will vary. Generally, farms are getting bigger because the owners of farms believe it is more efficient and because farm equipment and machinery is getting very expensive. If equipment and machinery cost a lot, using them on a larger farm brings more return on the money spent. Also, much new farming technology is for large farming operations.

2. Pressures on all small farmers will probably grow. But the person who really wants to have a small farm can succeed. He or she may be forced to move to a state where land costs are low. Also, a large income is not likely.

3. The primary problem would be dealing with creditors. Explain to students the meaning of bankruptcy. Also explain that if a business is failing, the owner may have to sell even if bankruptcy is not necessary.

IV. Group Activity

The purpose of this activity is to give students a first-hand feel for dairy farm ownership. An enthusiastic speaker is the best choice. If possible, let the speaker know a week before the presentation the kinds of questions he or she should address.

You will probably want to allow questions and answers after the presentation. You may also want to have a brief discussion of what the class thought about the presentation after it's over. Of course, it is important that the speaker receive a thank-you letter.

Unit 2 - Choosing a Location (1 class period)

I. Case Study: Andy and Julie go looking for a place to lease for their dairy. First they talk to the dairy association to see if they can sell their milk. Then they look at land and equipment.

Text: Is It Too Far Away?
Is It Too Close?
Is There Enough Land?
Is There Enough Water?
Are the Right Buildings and Equipment There?
Will It Be Easy to Sell Other Products?

Optional Points to Present:

- Purchase of land would, of course, be much more expensive than leasing the land. Costs to start a dairy will double or triple if the land is purchased. You may wish to discuss this point. The discussion question touches on this point.

II. Responses to Individual Activities

1. Answers will vary. Possibilities are: (a) land gets very expensive; (b) the farm's neighbors may complain about noise or smells; (c) animals may be hurt. Other reasonable answers are also acceptable.

2. Answers will vary.

3. Answers will vary.

III. Response to Discussion Question

The same desire for independence that motivates most people to start a small business also motivates them to want to own it if they can.

IV. Group Activity

Information you would need includes: amount of land needed; whether to buy or lease; tracts of land available and their costs; availability of adequate water; suitability of existing facilities and costs of needed renovations; proximity to a milk plant willing to buy your milk; distance from town (can't be in a large city). Sources of information include your own business description and financial statements, realtor, real estate want ads, other dairy farmers, local dairy association, etc.

Unit 3 - Getting Money to Start (1 class period)

I. Case Study: Julie and Andy consider how much money they'll need to start the farm. They list their money on hand. Then they talk to a bank loan officer, write a business description, and fill out a statement of financial need.

Text: Description of Your Business
Statement of Financial Need

II. Responses to Individual Activities

1. Banks and other financial institutions, the Small Business Administration, and the Farmer's Home Administration.

2. Starting expenses, money on hand, and loan money needed

3. The business description should include the five standard sections, be well written and gramatically correct, and be convincing to the reader about the value of the proposed dairy business.

4.

STATEMENT OF FINANCIAL NEED

Starting Expenses		Money on Hand	
Rent & remodeling	$ 40,000	Cash on Hand	$40,000
Equipment	30,000	Personal Loans	10,000
Livestock	60,000	TOTAL	$50,000
Feed & other milking supplies	40,000		
Salary, room, & board	12,000		
Veterinary costs	2,000		
Power, fuel, & equipment repair	2,200		
Other (insurance)	8,000		
TOTAL	$194,200	TOTAL STARTING EXPENSES	$194,200
		TOTAL MONEY ON HAND	50,000
		TOTAL LOAN MONEY NEEDED	$144,200

III. Responses to Discussion Questions

1. The costs of starting a farm business depend on the costs of land, equipment, and stock. All three costs would be highest for a dairy farm. Land for a poultry and egg operation and a truck farm might be about the same, but equipment would probably be more for a poultry and egg farm. There would be no stock costs for a truck farm.

2. Most lending institutions require a larger proportional investment on the part of the entrepreneur for two reasons: (1) it lowers the institution's risk of loss on the loan; and (2) it shows sincere commitment on the part of the entrepreneur.

3. Lending institutions also generally look for knowledge of the business and realistic commitment on the part of the entrepreneur. An unrealistic approach to opening a business shows a lack of business judgment in general, increasing the chances of failure for the business.

IV. Group Activity

The purpose of this activity is to give the class a realistic idea of the different kinds and levels of costs in your area. You may find that there are costs other than what the module unit presented. Costs may well be higher too, especially if the land is purchased rather than leased.

The result of the activity should be a relatively good estimate of the loan amount needed to start a dairy farm in your area.

Unit 4 - Being in Charge (1 class period)

I. Case Study: Andy and Julie decide to hire an employee. They consider the various tasks their employee might do and advertise for someone with the particular training and experience they need. Then they interview applicants and choose one to hire.

Text: Dividing the Work
- Level of Work
- Kind of Work
- Mixture of Tasks

Hiring a Worker
- Writing a Job Description
- Advertising for Applicants
- Looking at Training and Experience
- Talking to Applicants
- Checking References

II. Responses to Individual Activities

1. (a) By level of work. The employee would need less training but might have more trouble filling in.
   (b) By kind of work. The employee wouldn't need as many different kinds of skills. On the other hand, the employee couldn't fill in for the owner when needed.
   (c) By mixture of tasks. The employee and the owner could trade off duties, allowing much more flexibility. But the employee would need more training than in the cases above and would probably want a higher salary, too.

2. Responses should include: job title, description of work, experience needed, salary offered, and the dairy farm's phone number.

3. Answers will vary. The job description should be reasonable and complete.

4. Answers will vary. Ads should at least specify the kind of work to be performed, training and experience needed, salary, and the Raitts' phone number.

5. (a) Write a job description to be sure of what you want the employee to do.
   (b) Advertise the job so applicants will learn about it.
   (c) Look at applicants' training and experience to see if they qualify.
   (d) Talk to the applicants who qualify to get to know them better and tell them more about the job.
   (e) Have the applicant milk a cow or answer questions about farm operations.
   (f) Check references of the candidates you prefer to learn more about their work.

6. Use of milking equipment, recordkeeping, etc.

III. Responses to Discussion Questions

1. Written job descriptions make it clear to everyone what each worker's responsibilities are. This can prevent misunderstandings later that could hurt employer-employee relationships and perhaps result in mishandled farm products. You may point out that most farmers don't use formal written descriptions. However, it is good business practice to have them, just like keeping good financial records.

2. Farm journals can be a good place to advertise for an employee, especially a skilled one. If you have contact with other farmers, word of mouth is probably the best way to find out about potential employees. You could also contact secondary and postsecondary schools with dairy programs.

3. Ninety percent of firings occur not because of inability to perform work, but because of inability to get along with other workers.

4. The best way to divide the work really depends on the situation, the skills of the workers, money available for salary, etc. Each way of dividing the work has good and bad points.

IV. Group Activity

There are two problems here. First, Charles is clearly dissatisfied (though not because his responsibilities don't match his job description). Second, Andy hasn't been pleased with his work lately.

There could be several solutions. (1) Leave things as they are. (2) Charles could improve his work on all farm tasks, hoping that Andy will then let him have more responsibility. (3) Andy could begin giving Charles more responsibility, hoping that his increased interest will improve his work. (4) Andy could fire Charles. Students may suggest other ways.

Principles to bring out in the discussion are: (1) both the employee and employer must be satisfied if the business is to run smoothly; and (2) there are often good ways to work out problems (other than firing someone) if both the employer and employee are willing to look for them.

Unit 5 - Buying and Keeping Track of Supplies (1 class period)

I. Case Study: Andy and Julie have moved onto the farm, bought dairy stock, and planted their vegetable garden. Now they need to locate suppliers of feed and other supplies and learn about ordering and keeping track of their supplies.

Text: Choosing Suppliers
- The Merchandise
- The Services
- The Prices

Ordering Supplies
Keeping Track of Supplies

II. Responses to Individual Activities

1. Dairy farmers should consider whether suppliers have the right kind of merchandise (feed) in the desired quantities. They should compare prices and find the supplier whose prices are most reasonable. They should also investigate services--that is, whether suppliers offer quick, reliable delivery; friendly service; helpful advice regarding choice of feed, etc.; and prompt handling of complaints. You can get the needed information by visiting suppliers, talking to other dairy farmers, and

reading in farm publications (regarding prices and merits of different feeds).

2.

INVENTORY CARD

Item Feed concentrate

Supplier Wong's

Reorder Point 15 Reorder Amount 50

IN		OUT		AMOUNT REMAINING	
Date	Amount	Date	Amount	Date	Amount
				2/28	10
3/1	50	3/31	25	3/31	35

3. (a) To be sure you don't run out of needed items and (b) to prepare financial statements for your business and report expenses to the government.

III. Responses to Discussion Questions

1. Milking supplies would be the same year round. More feed would be bought in the winter. Veterinary supplies would be bought year round and as needed (for example, supplies for an annual vaccination would be bought only once a year). Students may have other responses.

2. Running out of milking supplies could ruin a batch of milk and cut your income. Running out of feed might not be much of a problem in the summer if you have grazing land, but at other times it could be critical. Running out of veterinary supplies (for example, calcium to treat milk fever) could result in stock's dying. Students may have other responses.

3. Income tax problems. Explain that taxes are paid on income after expenses are deducted, so deducting every legitimate expense is important.

4. Livestock; trucks and farm equipment; feed, seed, and crops--for income tax purposes.

IV. Group Activity

This activity should give students a good idea of the range of supplies needed on a dairy farm. After the composite list is prepared, calculate the total cost. Point out that all these items must be bought--in quantity--when the farm first starts.

If students can go to two different suppliers, compare the total costs of supplies from each. Is one substantially lower or higher than the other? Do single items vary significantly, even if the totals are close?

Unit 6 - Setting Prices (1 class period)

I. Case Study: Julie is preparing to open her vegetable stand on the highway. She has to set prices. She considers the cost of vegetable seeds and supplies, the farm's other operating expenses, and the profit she'd like. She also thinks about the demand for her vegetables and the prices other stands are charging.

Text: Operating Expenses of the Business
Profit Needed or Wanted
Demand for Products
Competition

II. Responses to Individual Activities

1. The lowest price is determined by your operating expenses and the profit needed or wanted. The highest price is limited by demand and competition. The right price lies in between.

2. Owner's salary, taxes, and expansion of the business.

III. Responses to Discussion Questions

1. The income for milk will be fairly regular--one of the advantages of dairy farming over other types of farming. Income from vegetable and feed production will be highest in the summer, while income from calf sales will be irregular.

2. Student answers will vary. In the case study for Unit 3 we learned that Julie's competitors sometimes ran out of produce. Since demand is very high, Julie may be able to charge the same as her competition right away. Also, since most travelers come through once and leave, they may not do as much "comparison shopping" as they would otherwise.

3. Answers will vary. Ask students why they responded as they did.

IV. Group Activity

Prices will vary, depending primarily on differences in operating expenses--facilities of the store, number of employees, etc.

Unit 7 - Marketing Farm Products (1 class period)

I. Case Study: Andy tells how his milk gets to market.

Text: The Marketing Process
Production
Processing
Wholesaling
Retailing
Marketing Milk
The Price of Milk

II. Responses to Individual Activities

1. Producing, processing, wholesaling, retailing

2. $0.38

3. The retailer gets $0.18., 21-22% of the customer's dollar.

4. Answers will vary. Retail prices for milk are usually slightly different. Retail prices for butter may differ more. Factors in lower prices are lower costs of transportation (a function of distance), lower markup by retailers (this depends in part on the retailer's own operating expenses and desired profit--see Unit 6), and other costs incurred after the milk leaves the dairy.

III. Responses to Discussion Questions

1. The extra money the customer pays goes for salaries and other operating expenses (such as transportation) of processing, wholesaling, and retailing firms. These people save customers time, trouble, and money, and customers are willing to pay these costs. In this sense it seems fair. Also, costs to customers are far lower this way than they might be if the efficiencies of scale of large marketing operations were not present.

2. Getting customers to buy is done through advertising products. Retailers sometimes advertise dairy products; more often, processors or wholesalers do it. The state or area dairy association may also advertise dairy products.

IV. Group Activity

These activities should help students understand the details of marketing dairy products in your area.

Unit 8 - Keeping Farm Records (1 class period)

I. Case Study: Andy has to keep records of income received from the sale of milk. He also keeps records of expenses (by type) and records on the health and productivity of stock in the herd.

Text: Record of Milk Sales
Record of Expenses
Records on the Herd

Optional Points to Present:

- Farm record keeping can be much more complicated than this. It involves depreciation, values of stock at birth and death, and many other kinds of accounting. These forms are only an introduction. These points are addressed in the discussion questions for this unit.

II. Responses to Individual Activities

1. Records of income and expenses are needed: (a) to know if the business is making or losing money; (b) to make reports to the government; and (c) to decide if you can expand the business. Records on the herd are needed to keep milk production steady and to keep track of the health of the stock.

2.

RECORD OF MILK INCOME			
Date of Payment	Amount of Milk (cwt.)	Price per cwt.	Amount Received
Week of May 1	110.1	$12.00	$1321.20
Week of May 8	110.0	"	$1320.00
Week of May 15	110.3	"	$1323.60

3.

RECORD OF EXPENSES FOR FEED				
Date	Item Purchased	Cost	Amount Paid	Balance
May 7	2 tons grain	$208.00	--	$208.00
May 18	500 bales alfalfa hay	$1,000.00	--	$1,000.00
May 30	Payment	--	$1,208.00	--

4.

STOCK RECORD				
Cow	Date Bred	Date Dry	Date Calved	Veterinary Care
#43	June 10	Jan. 15	March 15	Vaccinated, Feb. 10
#44	July 8	Feb. 2	April 2	Vaccinated, Feb. 10

5. Answers will vary.

III. Responses to Discussion Questions

1. Farm records can be very complicated. On the other hand, some farmers don't keep many records at all. Some turn all recordkeeping over to their dairy association and their accountant. But some method of keeping these kinds of information is essential, whether the farmer does it, or whether it is turned over to others. Looking at the record forms students have collected should be very instructive.

2. Not keeping records can bring about problems with the tax collector, with the dairy association, and with milk production and herd health.

IV. Group Activity

This activity will introduce students to one of the primary forms of new technology that will have an impact on farmers and everyone else in the future.

Unit 9 - Keeping Your Business Successful (1 class period)

I. Case Study: Julie and Andy have run the farm for three years. They are doing pretty well but need more income to keep things going smoothly. They learn about profit and loss statements from their accountant.

Text: Profit and Loss Statement
Profit Ratio and Expense Ratio
Increasing Net Profits

II. Responses to Individual Activities

1.

PROFIT/LOSS STATEMENT

	Year 2 $	Year 2 %
Revenues	$96,000	100%
Expenses		
Feed	30,000	
Milking & Other Supplies	2,800	
Veterinary Costs	2,500	
Power, Fuel, & Equipment Repair	3,500	
Rent	5,200	
Salary (for 1 employee)	14,000	
Other	14,000	
TOTAL	$72,000	75%
Net Profit	$24,000	25%

3. Possible answers for increasing revenues: plant more acres to feed, plant more acres to vegetables, raise prices on produce, grow new products. Possible answers for decreasing expenses: buy cheaper supplies, lay off employees, raise more feed and buy less. Other reasonable answers are also acceptable. All these changes would increase net profits, at least in the short run.

III. Responses to Discussion Questions

1. Pride of ownership, liking to be their own bosses, able to live in the country and work with animals. Students may think of other answers.

2. They might have thought about expanding the business: buying the land, leasing more acres, growing more crops or new crops, enlarging the herd.

IV. Group Activity

The purpose of this activity is to summarize the contents of the whole module. The above units all have to do with planning the business (but not operating it) and so can be carried out by students.

Let students choose the groups they wish to work in as much as possible. If you think any of your speakers would be willing to act as resource persons for the students, set up sessions when they can be invited in.

The students can hand in a class paper or make a presentation. This activity could be used as a means of helping students evaluate their interest in dairy farm ownership and of developing planning skills.

Summary (15-30 minutes)

If desired, the Quiz may be given prior to summarizing the module and doing wrap-up activities.

The Summary section of the Student Guide covers the main points of the module. You may wish to discuss this briefly in class to remind students of major module topics.

Remind students that their participation in this module was intended as an awareness activity so they could consider entrepreneurship as a career option. Their introduction to the skills required for successful small business management has been brief. They should not feel that they are now prepared to go out, obtain a loan, and begin their own business. More training and experience are necessary. You can suggest at least these ways of obtaining that experience: one way is to work in the business area in which they would eventually want to have their own venture; another is to go to school (community colleges are starting to offer AA degrees in entrepreneurship).

This would be a good time to get feedback from the students as to how they would rate their experience with the module. Could they identify with the characters portrayed in the case studies? How do they feel about the learning activities?

You may want to use a wrap-up activity. If you have given the quiz, you could go over the correct answers to reinforce learning. Or you could ask class members to talk about what they think about owning a small business and whether they will follow this option any further.

Quiz (30 minutes)

The quiz may be used as an assessment instrument or as an optional study tool for students. If you wish to use the quiz for study purposes,

duplicate and distribute the answer key to students. In this case, student achievement may be assessed by evaluating the quality of students' participation in module activities.

Quiz Answer Key

1. Possible answers: Skills at caring for or managing the herd; preference for working on a farm; willingness to stay around home; preference for being one's own boss. Other reasonable answers are also acceptable.

2. b

3. Possible answers: Be sure it's close enough to customers; be sure it's far enough from town; be sure there's enough land; be sure the right building and equipment are there or can be put in; be sure you can sell your other products from there. Other reasonable answers are also acceptable.

4. a

5. Kind of business and products sold; livestock, crops, and machinery required; market; location; and plans for success.

6. c

7. a

8. c

9. Possible answers: Caring for milking equipment; using your forms for record keeping; learning what kinds of supplies you use and their expected prices. Other reasonable answers are also acceptable.

10. b

11. b

12. Producer, processor, wholesaler, retailer

13. c

14. b

15.

RECORD OF EXPENSES FOR FEED				
Date	Item Purchased	Cost	Amount Paid	Balance
Jan. 10	2 tons of grain	$208.00	--	$208.00
Jan. 26	1 ton of soybean meal	$240.00	--	$448.00
Jan. 30	Payment	--	$448.00	--

16. Possible answers: Date bred, date dry, date calved, veterinary care. Other reasonable answers are also acceptable.

17. Net profit = $50,000; profit ratio = 25%

18. Possible answers: Raise revenues (e.g., by increasing milk production, adding new products, or raising prices on supplementary farm products); or reduce expenses (e.g., by raising feed instead of buying it or reducing number of workers).

19. Possible answers: Sell feed; raise sheep; keep bees. Other reasonable answers are also acceptable.

SUGGESTED READINGS

General Entrepreneurship References

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Rowe, K. L., & Hutt, R. W. Preparing for entrepreneurship. Tempe, AZ: Arizona State University, College of Business Administration, 1979.

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GOALS AND OBJECTIVES

Goal 1: To help you learn how to plan a dairy farm.

Objective 1: List three personal qualities a dairy farm owner might have.

Objective 2: Describe the products and customers of a dairy farm.

Objective 3: List one legal requirement for running a dairy farm.

Goal 2: To help you learn how to choose a location for a dairy farm.

Objective 1: List three things to think about in deciding where to locate a dairy farm.

Objective 2: Pick the best location for a dairy farm from three choices.

Goal 3: To help you plan how to get money to start a dairy farm.

Objective 1: Write a business description for a dairy farm.

Objective 2: Fill out a form showing how much money you need to start a dairy farm.

Goal 4: To help you learn how to plan work for employees of a dairy farm.

Objective 1: Decide how to divide the work of the business among the workers.

Objective 2: Pick the best person to hire for a job in this business.

Objective 3: Describe one kind of training you might give your employee.

Goal 5: To help you learn to plan what supplies to order for a dairy farm and how to keep track of them.

Objective 1: Choose a supplier, decide how much you will buy, and plan a schedule for ordering supplies.

Objective 2: Figure out the amount of inventory on hand on a certain date.

Goal 6: To help you learn how to set prices for your farm products.

Objective 1: Pick the best price for one item a dairy farm sells.

Goal 7: To help you learn how dairy products get to the customer.

Objective 1: List the four kinds of workers who help get dairy products to customers.

Objective 2: Figure out what percent of the price to customers goes to the dairy farmer.

Goal 8: To help you learn how to keep farm records for a dairy business.

Objective 1: Complete a record for milk sold in one month.

Objective 2: Fill out a record of expenses for one kind of supply.

Objective 3: Fill out a stock record for one cow.

Goal 9: To help you learn how to keep a dairy farm successful.

Objective 1: Figure out the net profit, profit ratio, and expense ratio for a dairy farm.

Objective 2: State one way a dairy farm could increase its profits.

Objective 3: State one way a dairy farm could change its services to increase sales.

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